

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1274 - HB 1215

March 17, 2013

SUMMARY OF BILL: Requires public water systems to purchase products that will be added to water from manufacturers meeting certain requirements. Requires the manufacturer to make information readily accessible to the public. Creates a Class B misdemeanor punishable by a fine of \$500 for any manufacturer that knowingly omits or falsifies such information.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$201,600/General Fund
\$403,800/Environmental Protection Fund**

Increase Local Expenditures – Exceeds \$4,000,000*

Assumptions:

- According to the Department of Environment and Conservation (TDEC), additional tracking of chemicals and reviewing chemical certifications will be required.
- To accomplish the necessary tracking and review, TDEC will require one administrative position, two field positions, one engineer position, and one data management professional position. A total of five positions.
- The total recurring increase in state expenditures for the five additional positions will be \$605,326 (\$369,756 salaries + \$85,570 benefits + \$150,000 vehicles and operational).
- The Division of Water Supply is funded 33.3 percent by the General Fund and 66.7 percent by the Environmental Protection Fund (EPF).
- The recurring increase in state expenditures from the EPF will be \$403,752 (\$605,326 x 66.7%).
- The recurring increase in state expenditures from the General Fund will be \$201,574 (\$605,326 x 33.3%).
- Based on information provided by TDEC and the Comptroller of the Treasury, this bill will result in an increased cost to local water systems for chemical treatment. There are approximately 400 water systems statewide. An average annual cost exceeding \$10,000 for each water system. A total recurring increase to local government expenditures exceeding \$4,000,000 (400 x \$10,000) statewide.

- There will not be a sufficient number of prosecutions of the Class B misdemeanor offense for state or local government to experience any significant increase in revenue or expenditures.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/cce